

New Program Proposal
Bachelor of Science in Business Administration in Resort Tourism Management
Coastal Carolina University

Summary

Coastal Carolina University requests approval to offer a program leading to the Bachelor of Science in Business Administration degree (B.S.B.A.) in Resort Tourism Management, to be implemented in Fall 2005.

The proposal was approved by the Coastal Carolina University Board of Trustees on January 14, 2005, and submitted for Commission review on January 21, 2005. The proposal was reviewed without substantive comment and voted upon favorably by the Advisory Committee on Academic Programs at its meeting on March 7, 2005.

According to the proposal, the purpose of the program is to provide “students with opportunities to study, analyze, evaluate, and successfully participate in local and worldwide tourism growth.” The ultimate goal is to prepare students for hospitality and tourism careers starting at or above middle management. The program will be offered through the E. Craig Wall College of Business Administration. The program is consistent with Coastal’s efforts to provide majors which reflect the nature and growth of the region, and which also create a tie between the hospitality industry’s need to deliver high quality services and the college’s focus on creating intellectual resources in the field. According to the proposal, the designation of the Grand Strand area as a Metropolitan Statistical Area has made it more attractive to national resort chains as an investment area. The proposal states that this will increase competition within the local resort industry and place a premium on professionally trained resort and tourism managers. According to the proposal, the Myrtle Beach area accounts for almost a third of the revenue from tourism, the state’s largest industry, but does not have a local four-year degree program offered with a tourism-related major.

Resort Tourism Management currently exists as a concentration within the management major. The number of students in the concentration has grown rapidly from only a few students in 2001 to 150 students currently enrolled. Eleven students have graduated with the RTM concentration to date, and nine more with the concentration are scheduled to graduate in Spring 2005. According to the proposal, the students who have graduated with this concentration have all been employed in the field.

Four other institutions in the state—USC-Columbia, USC-Beaufort, Clemson, and the College of Charleston—offer baccalaureate or higher degrees in majors related to hospitality and tourism. Of these, only the recently approved College of Charleston program is offered through a College of Business. The proposed program and the College of Charleston’s program each require 39 credit hours of courses taught through the College of Business—higher than the requirement for USC-Columbia’s undergraduate program, which requires six credit hours through the College of Business, and USC-Beaufort’s program, which requires between 12 and 18 credit hours of business courses. The number and type of courses taught through the business college is not unusual among tourism-related programs taught through business colleges, as their curriculum is driven in part by accreditation requirements. The program at Clemson has a very different focus from the other programs in the state, focusing more on parks and outdoor recreation. It should be noted that Coastal Carolina, USC-Beaufort, and the College of Charleston are in areas that are strongly oriented toward resort tourism.

The curriculum consists of 122-128 credit hours, depending on the number of foreign language courses taken. Of the total credit hours required, 44-50 hours are in core courses, 45 are in foundation courses, and 18 are major requirements. One of these courses, a required sophomore-level seminar in food and beverage management, will be provided by the faculty of Horry-Georgetown Technical College’s Department of Hospitality and Tourism. There are three credit hours of internships required for the program. Given the existing specialization in RTM, the college does not anticipate adding new courses to support the major. Students admitted to this program will have to meet the admissions criteria common to all students in the College of Business Administration.

The proposal indicates that no new full-time faculty will be hired for this program. A new tenure-track position has been created for RTM beginning in Fall 2005, but the proposal states that this hire will be made independent of the proposed program’s being accepted. The proposal further states that no need for new faculty positions for this major is anticipated in the first five years of the program. All faculty involved in the proposed major hold a Ph.D. No new administrative or staff positions will be created in the first five years.

Enrollment in the proposed program is estimated to begin at 145 headcount (145 FTE) in FY 2005-2006 and increase to 152 headcount (152 FTE) by FY 2008-09. The proposal predicts that 105 of the students who are currently in the RTM concentration within the college of business will move into the proposed major in the first year and that there will be 47 new students. Estimates are based the past enrollment patterns in the RTM concentration. If these projections are met, the program will meet the CHE’s current program productivity standards.

The Wall College of Business Administration is fully accredited by the Association to Advance Collegiate Schools of Business AACSB International. The proposed major will be subject to this accreditation, with reaccreditation expected in 2007-08.

The proposed program will require no new class or office space over the next five years. Coastal Carolina University has an existing agreement with Horry-Georgetown Tech that allows it to use Horry-Georgetown's food lab facility for the RTM 282 (Food and Beverage Management) course, and the University will therefore need no additional physical plant or equipment to support the proposed major.

Coastal Carolina University indicates that its library holdings in Tourism, Hospitality Industry, and Ecotourism lag behind those of its in-state peers (the University of South Carolina and the College of Charleston). The Kimbel Library currently holds 250,000 items in all formats, including electronic full-text periodicals and fifty on-line reference sources. The proposal compares the library's holdings in RTM related titles with those at USC and the College of Charleston, and finds that the Kimbel Library will need to increase its holdings significantly in order to match the holdings at either of these institutions. The University of South Carolina currently holds 928 related titles, the College of Charleston holds 310, and Coastal holds 141. The college intends to increase its holding by 300 titles over the next five years and has budgeted accordingly.

New costs for the program are estimated to begin at \$3,500 in year one, all of which is to increase library holdings. Estimated new costs remain at \$3,500 for each of the first five years of the program, for a total new cost of \$17,500.

Shown below are the estimated Mission Resource Requirement (MRR) costs to the state and new costs not funded by the MRR associated with implementation of the proposed program for its first five years. Also shown are the estimated revenues projected under the MRR and the Resource Allocation Plan as well as student tuition.

| Year | Estimated MRR Cost for Proposed Program | Extraordinary (Non-MRR) Costs for Proposed Program | Total Costs | State Appropriation | Tuition | Total Revenue |
|--------|---|--|------------------|---------------------|-----------|------------------|
| Year 1 | \$399,287 | | \$399,287 | \$0 | \$322,623 | \$322,623 |
| Year 2 | \$417,645 | | \$417,645 | 68,917 | \$337,392 | \$406,309 |
| Year 3 | \$417,645 | | \$417,645 | 72,098 | \$337,392 | \$409,490 |
| Year 4 | \$426,824 | | \$426,824 | 72,098 | \$345,087 | \$417,185 |
| Year 5 | \$440,592 | | \$440,592 | 73,628 | \$356,319 | \$429,947 |

These data demonstrate that if Coastal Carolina University can meet the projected student enrollments as they are shown in the proposal, the program will substantially meet the projected MRR costs with revenues it generates by the fifth year of its implementation.

In summary, Coastal Carolina University proposes to offer a program leading to the Bachelor of Science degree in Business Administration in Resort Tourism Management that will prepare its graduates for employment in middle and higher level management positions in the resort industry. The program will help meet the needs for qualified managers in an area of the state that is heavily oriented toward tourism and the resort industry.

Recommendation

The staff recommends that the Committee on Academic Affairs and Licensing commend favorably to the Commission approval of the proposed program leading to the Bachelor of Science in Business Administration degree in Resort Tourism Management at Coastal Carolina University for implementation in Fall 2005, provided that no “unique cost” or other special State funding be required or requested.